

ENTERED

January 04, 2023

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
CORE SCIENTIFIC, INC., et al.,	§	
	§	Case No. 22-90341 (DRJ)
	§	
Debtors.¹	§	(Jointly Administered)
	§	
	§	

**ORDER AUTHORIZING REJECTION
OF EXECUTORY CONTRACTS WITH
CELSIUS MINING, LLC (Docket No. 189)**

Upon the motion, dated December 28, 2022 (the “**Motion**”),² of Core Scientific, Inc., and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order approving rejecting the Celsius Contracts, immediately effective and enforceable upon its entry, as more fully set forth in the Motion; and upon consideration of the Bros Rejection Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Core Scientific Mining LLC (6971); Core Scientific, Inc. (3837); Core Scientific Acquired Mining LLC (N/A); Core Scientific Operating Company (5526); Radar Relay, Inc. (0496); Core Scientific Specialty Mining (Oklahoma) LLC (4327); American Property Acquisition, LLC (0825); Starboard Capital LLC (6677); RADAR LLC (5106); American Property Acquisitions I, LLC (9717); and American Property Acquisitions, VII, LLC (3198). The Debtors’ corporate headquarters and service address is 210 Barton Springs Road, Suite 300, Austin, Texas 78704.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

the Court having found that 11 U.S.C § 362(a) does not prohibit rejection of the Celsius Contracts; and all objections, if any, to the Motion having been withdrawn, resolved, or overruled; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interest of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. Pursuant to sections 365 and 105(a) of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006, the Celsius Contracts are deemed rejected effective immediately upon entry of this Order.

2. All Celsius rigs will be powered down effective January 3, 2023 and will not be restarted during the transition period.

3. Notwithstanding any provisions of the Celsius Contracts to the contrary, the Debtors will derack, palletize, and shrink wrap the Celsius rigs and load such pallets on trucks provided by Celsius, all at the Debtors' expense and using commercially reasonable industry standards, and the Debtors will keep Celsius apprised as to expected availability for pickup at each location. Business representatives from the Debtors and Celsius shall consult regarding the deracking process prior to commencing any deracking.

4. Upon reasonable advance notice by Celsius to the Debtors, the Debtors will allow a Celsius observer access to the Debtors' facilities for up to four hours a day during regular business hours with appropriate supervision by the Debtors to monitor the progress of the deracking and packaging process; it being understood that the Debtors will not be deracking during any specific time period.

5. Celsius will pick up its rigs as soon as practicable, with the transportation at Celsius' expense, and will consult with the Debtors on the schedule for pickups. In any event, all Celsius rigs will be picked up within 75 days of January 3, 2023.

6. The deadline for filing proofs of claims related to damages, if any, arising from the rejection of the Celsius Contracts shall be the later of the general bar date or thirty (30) days from this Order.

7. Nothing contained in the Motion, this Order, or any actions taken by the Debtors pursuant to the relief granted in this Order shall be construed as: (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law, (iii) a waiver or limitation of the Debtors' right to assert, at a later date, that the Celsius Contracts are not executory contracts, or (v) a concession or evidence that the Celsius Contracts have not expired, been terminated, or are otherwise currently not in full force and effect.

8. The requirements of Bankruptcy Rule 6004(a) are waived.

9. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all steps necessary or appropriate to carry out the relief granted in this Order.

11. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Signed: January 04, 2023.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of Texas

In re:
Core Scientific, Inc.
Debtor

Case No. 22-90341-drj
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Jan 04, 2023

User: ADIuser
Form ID: pdf002

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Total Noticed: 14

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jan 06, 2023:

Recip ID	Recipient Name and Address
db	+ Core Scientific, Inc., 210 Barton Springs Road, Suite 300, Austin, TX 78704-1251
intp	+ Condair Inc., c/o John S. Collins, Vorys, Sater, Seymour and Pease LLP, 909 Fannin, Suite 2700, Houston, TX 77010-1009
cr	+ Dalton Utilities, Howley Law PLLC, 711 Louisiana Street, Ste. 1850, Houston, TX 77002-2790
cr	+ GEM Mining 1, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 2, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 2B, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 3, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
cr	+ GEM Mining 4, LLC, c/o Evan N. Parrott, 11 North Water Street, Suite 24290, Mobile, AL 36602-5024
intp	+ McCarthy Building Companies, Inc., c/o Watt, Tieder, Hoffar & Fitzgerald, L, 1765 Greensboro Station Place, Suite 1000, McLean, VA 22102-3468
op	+ Stretto, Stretto, 8269 E. 23rd Avenue, Suite 275, Denver, CO 80238-3597
cr	+ Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Jason Binford, 2003 N. Lamar Blvd., Suite 100 Austin, TX 78705-4932
cr	+ Travis County, c/o Jason A. Starks, P.O. Box 1748, Austin, TX 78767-1748
intp	+ U.S. Bank National Association, as Prepetition Not, c/o Shipman & Goodwin LLP, One Constitution Plaza, Hartford, CT 06103-1803

TOTAL: 13

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
cr	+ Email/Text: neil.oreans@judithwross.com	Jan 04 2023 20:11:00	Tenaska Power Services Co., c/o Ross & Smith, P.C., Attn: Judith W. Ross, 700 N. Pearl Street, Suite 1610, Dallas, TX 75201-7459

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
cr		36th Street Capital Partners, LLC
cr		Ad Hoc Group of Secured Convertible Noteholders
cr		Anchorage Lending CA, LLC
cr		Barings BDC, Inc.
cr		Barings Capital Investment Corporation
cr		Barings Private Credit Corp.
cr		BlockFi, Inc. and its affiliated entities
cr		Bremer Bank
cr		CEC Energy Services LLC
cr		Celsius Mining, LLC
cr		City of Denton
cr		Humphrey & Associates, Inc.
cr		MP2 Energy Texas LLC d/b/a Shell Energy Solutions
cr		MassMutual Asset Finance, LLC
cr		NYDIG ABL LLC
cr		Prime Alliance Bank, Inc.
cr		Sphere 3D Corp.

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intp Trinity Capital Inc.
cr Wingspire Equipment Finance, LLC

TOTAL: 19 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 06, 2023

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on January 4, 2023 at the address(es) listed below:

Name	Email Address
Alfredo R Perez	on behalf of Debtor Core Scientific Specialty Mining (Oklahoma) LLC alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor Radar Relay Inc. alfredo.perez@weil.com, alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor RADAR LLC alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor Core Scientific Mining LLC alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor American Property Acquisitions VII LLC alfredo.perez@weil.com, alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor American Property Acquisitions I LLC alfredo.perez@weil.com, alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor Starboard Capital LLC alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
Alfredo R Perez	on behalf of Debtor Core Scientific Acquired Mining LLC alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com
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Alfredo R Perez	on behalf of Debtor Core Scientific Operating Company alfredo.perez@weil.com alfredo-perez-1218@ecf.pacerpro.com;erin.choi@weil.com;clifford.carlson@weil.com;rene.olvera@weil.com;christopher.jalomo@weil.com;jake.rutherford@weil.com;theodore.heckel@weil.com

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Alicia Lenae Barcomb

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Arsalan Muhammad

on behalf of Creditor BlockFi Inc. and its affiliated entities arsalan.muhammad@haynesboone.com,
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Charles Thomas Kruse

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Devan Joan Dal Col

on behalf of Creditor Wingspire Equipment Finance LLC ddalcol@reedsmith.com

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James Drew

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James Tillman Grogan, III

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Jason Starks

on behalf of Creditor Travis County bkecf@traviscountytexas.gov

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on behalf of Creditor Humphrey & Associates Inc. jason.kennedy@laperouselaw.com, holly@harrisonsteck.com

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on behalf of U.S. Trustee US Trustee jayson.b.ruff@usdoj.gov

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John Stuart Collins

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Maegan Quejada

on behalf of Creditor NYDIG ABL LLC mquejada@sidley.com
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on behalf of Interested Party McCarthy Building Companies Inc. mdevoll@watttieder.com

Maria Mulrooney Bartlett

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on behalf of Creditor MP2 Energy Texas LLC d/b/a Shell Energy Solutions mbartlett@cokinoslaw.com

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Nathaniel Richard Hull

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Patrick Holder Autry

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Stephen Clark Jackson

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Stephen Clark Jackson

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Stephen Clark Jackson

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US Trustee

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TOTAL: 48